



STATE PENSION REVIEW BOARD

A large, light gray five-pointed star serves as a background for the central text.

WORKFORCE PLAN 2015-2019

TEXAS PENSION REVIEW BOARD

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AGENCY STRATEGIC PLAN
FOR THE FISCAL YEARS 2015-2019

PENSION REVIEW BOARD

<u>BOARD MEMBER</u>	<u>TERM EXPIRES JANUARY 31</u>	<u>HOMETOWN</u>
PAUL A. BRADEN, Chair	2015	Dallas
J. ROBERT MASSENGALE, Vice-Chair	2017	Lubbock
ANDREW W. CABLE	2019	Wimberley
LESLIE GRECO-POOL	2015	Eules
WAYNE R. ROBERTS	2015	Austin
ROBERT M. MAY	2019	Austin
KEITH W. BRAINARD	2019	Georgetown

DATE OF SUBMISSION: June 23, 2014

SIGNED: _____
Christopher D. Hanson, Executive Director

APPROVED: _____
Paul A. Braden, Chair

DATE APPROVED: June 23, 2014



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Statewide Vision

Working together, we must set clear priorities that will help maintain our position as a national leader now and in the future by:

Ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means, and limiting the growth of government;

Investing in critical water, energy and transportation infrastructure needs to meet the demands of our rapidly growing state;

Ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;

Defending Texans by safeguarding our neighborhoods and protecting our international border; and

Increasing transparency and efficiency at all levels of government to guard against waste, fraud, and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.

The Mission of Texas State Government

Texas State Government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.



The Philosophy of Texas State Government

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans are best made by those individuals, their families, and the local governments closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. And just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future, and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

Aim High...We are not here to achieve inconsequential things!

The Priority Goals of Texas State Government

The State Pension Review Board (PRB) has drawn upon the General Government Priority Goal, which is to support effective, efficient, and accountable state government operations, and to provide citizens with greater access to government services while reducing service delivery costs.



Statewide Benchmarks

- Increase the percentage of actuarially-funded defined benefit Texas public retirement systems that are actuarially sound.
- Increase the percentage of pension plan administrators, trustees, and members of Texas public pension funds satisfied with PRB educational services.

The Mission Statement of the Pension Review Board

The PRB is mandated to oversee all Texas public retirement systems, both state and local, in regard to their actuarial soundness and compliance with state law. The mission of the PRB is to provide the State of Texas with the necessary information and recommendations to help ensure that our public retirement systems, whose combined assets total in the multi-billions, are actuarially sound; benefits are equitable; the systems are properly managed; tax expenditures for employee benefits are kept to a minimum while still providing for those employees; and to expand the knowledge and education of administrators, trustees, and members of Texas public retirement systems.

The Philosophy of the Pension Review Board

The PRB will act in accordance with the highest standards of ethics, accountability, efficiency, and openness. We are proud to be of service to the state by providing information and recommendations to help ensure that promised pension benefits are provided to the public retirement systems' annuitants and in seeing that tax dollars are spent most efficiently.



Agency Goals, Objectives, and Strategies

Goal 01: Provide information and recommendations to help ensure that actuarially-funded defined benefit Texas public retirement systems are actuarially sound and well managed in their administration and investments so that members receive their entitled benefits with a minimum expenditure of taxpayer dollars.

OBJECTIVE

- Outcome Measure

01-01 To determine the actuarial and/or financial condition of all actuarially-funded defined benefit Texas public retirement systems registered with the State Pension Review Board such that 95 percent of these systems are actuarially sound by the end of fiscal year 2025; and to monitor reporting requirements so that 85 percent of these systems are in compliance each year.

01-01.01 Percent of actuarially-funded defined benefit Texas public retirement systems that are actuarially sound.

01-01.02 Percent of public retirement systems in compliance with reporting requirements

STRATEGY

- Output Measures

01-01-01 Conduct reviews of Texas public retirement systems

01-01-01.01 Number of compliance actions initiated

01-01-01.02 Number of reviews completed

Efficiency Measure

01-01-01.01 Percent of reports filed within time frames after non-compliance notice

Explanatory/Input Measures

01-01-01.01 Number of Public Retirement Systems registered with the State Pension Review Board

01-01-01.02 Estimated value of net Investments owned by Texas Public Retirement Systems (Billions)

**OBJECTIVE**

- Outcome Measures

01-02 Each year through 2025, respond to 100 percent of requests by providing the information required and services needed by the PRB's service population to make informed decisions. Educate public employee retirement systems (PERS), the Legislature, and general public regarding public pension matters, including pension law and current issues such that 90% express satisfaction with educational services. Examine legislation for potential impact on Texas PERS and ensure that 100% of all actuarial impact statements are delivered prior to legislative hearings. Provide electronic access to public pension data.

01-02.01 Percent of Legislative and public retirement system requests for technical assistance answered

01-02.02 Percent of training session participants satisfied

01-02.03 Percent of all constituents satisfied with educational services

01-02.04 Percent of Public Retirement System Trustees and System Administrators in Compliance with Minimum Training Requirements

STRATEGY

- Output Measures

01-02-01 Provide technical assistance and educational services to public retirement systems, including retirement systems that are organized under the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes); examine legislation for potential impact on Texas' public retirement systems; and provide electronic access to public pension data.

01-02-01.01 Number of impact statements issued

01-02-01.02 Number of persons participating in PRB training sessions

01-02-01.03 Number of technical assistance reports produced by staff

01-02-01.04 Number of requests for technical assistance responded to by the agency



Five-Year Projections for Outcomes
Fiscal Years 2015-2019

Outcome	2015	2016	2017	2018	2019
Percent of Systems That Are Actuarially Sound	98	98	98	98	98
Percent of Systems in Compliance with Reporting Requirements	90	90	90	90	90
Percent of Legislative and System Requests Answered	100	100	100	100	100
Percent of Training Session Participants Satisfied	95	95	95	95	95
Percent of All Constituents Satisfied with PRB Educational Services	98	98	98	98	98
Percent Trustees, Administrators Complying W/Minimum Training Requirements	100	100	100	100	100



Performance Measure Definitions 2016-2017 Biennium

OUTCOME MEASURES

Percent of Actuarially-Funded Defined Benefit Texas Public Retirement Systems that are Actuarially Sound

Definition: An actuarially funded defined benefit public retirement system is considered actuarially sound if the plan is in accordance with the most current Guidelines for Actuarial Soundness as adopted by the State Pension Review Board.

Purpose/Importance: The purpose of this measure is to ensure that the actuarially funded defined benefit plans registered with the PRB are actuarially sound and the benefits are equitably distributed with minimum expenditure of taxpayer dollars. This measure is important because it determines the potential number of actuarially-funded defined benefit plans that may be facing existing or imminent problems that could threaten the actuarial soundness of such plans.

Source/Collection of Data: Actuarial valuations of active defined benefit plans are the source of these data and the agency's actuarial and financial database tracks this number. Each actuarial valuation that is submitted to the PRB is reviewed by the PRB staff to determine the actuarial soundness of a public retirement system.

Method of Calculation: The number of actuarially funded defined benefit plans considered to be actuarially sound under the PRB's Guidelines for Actuarial Soundness divided by the total number of actuarially funded defined benefit plans.

Data Limitations: This number does not take into account the different actuarial valuation methodologies employed by actuaries.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Higher than target.

Percent of Systems in Compliance with Reporting Requirements

Definition: A public retirement system is considered to be in compliance with state reporting requirements when all reports, required under Chapter 802 of Government Code, are received by the PRB in the time required under Chapter 802.

Purpose/Importance: The purpose of this measure is to determine the percentage of public retirement systems meeting their statutory reporting



requirement. This measure is important because the PRB requires the reports submitted by the public retirement systems to fulfill its statutory obligations.

Source/Collection of Data: The agency's actuarial and financial database is the source for this data.

Method of Calculation: This is the number of compliant active systems divided by the total number of active systems.

Data Limitations: The agency depends on the retirement systems for timely filing of changes to investment policies, plan designs and board composition as the agency would otherwise be unaware of such changes.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Higher than target.

Percent of Legislative and System Requests Answered

Definition: This is the percentage of legislative and system requests that are answered. This includes written replies to requests for technical assistance, and includes requests for information on pension issues, investments, laws, and reporting requirements.

Purpose/Importance: The purpose of this measure is to provide an indication of the responsiveness of the PRB staff to technical assistance requests. This measure is important because one of the charges of the PRB under its enabling statute is to provide technical assistance to its service population.

Source/Collection of Data: Technical assistance summary sheets are the source of this data. The information is entered into the technical assistance database including the type of assistance, identifying the number of legislative and system requests. The statistic is then compiled into a spreadsheet.

Method of Calculation: The number of legislative and system requests completed divided by the total number of legislative and system requests.

Data Limitations: The data is limited to requests that can be documented on paper. This excludes requests for information taken and answered over the phone.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Higher than target.

Percent of Training Session Participants Satisfied

Definition: The percentage of participants that express satisfaction with the training sessions.



Purpose/Importance: This measure is important because it is one of the indicators of the level of satisfaction with the training sessions' content provided by the PRB to its participants.

Source/Collection of Data: Participants who have registered and completed training sessions, either online or in person, are provided optional surveys to comment on various categories, including content and delivery. The staff of the PRB compiles and tabulates the results of the surveys in a spreadsheet.

Method of Calculation: This is the number of surveyed training session participants that expressed satisfaction with the PRB's training sessions' content divided by the total number of surveyed training session participants.

Data Limitations: Some training session participants do not complete the survey.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher than target.

Percent of All Constituents Satisfied with Educational Services

Definition: The percentage of plan administrators, trustees, members of Texas public pension funds, and other constituents satisfied with PRB educational services.

Purpose/Importance: The purpose of this measure is to determine the quality of educational services provided by the PRB to the administrators, trustees, and members of Texas public pension funds. This measure is important because it is a statutory duty of the PRB.

Source/Collection of Data: Plan administrators, trustees, members of Texas public pension funds, and other constituents receive an evaluation form annually to assess the performance of PRB educational services. The results from survey evaluations are compiled and tabulated in a spreadsheet.

Methodology: This is the number of surveyed plan administrators, trustees, members of Texas public retirement systems, and other constituents that expressed satisfaction with the PRB programs divided by the total number of surveyed plan administrators, trustees, members of Texas public retirement systems, and other constituents that expressed an opinion with the PRB programs.

Data Limitations: Some plan administrators, trustees, members of Texas public pension funds, and other constituents do not complete an evaluation form.

New Measure: No.

Desired Performance: Higher than target.



Percent of Public Retirement System Trustees and System Administrators in Compliance with Minimum Training Requirements

Definition: This is the percentage of trustees and system administrators who meet the minimum training requirements as established by the State Pension Review Board rules and/or policies.

Purpose/Importance: Public retirement system trustees and system administrators are required to meet the minimum training requirements under Section 801.211 of the Government Code. Minimum training requirements are intended to help ensure that trustees and system administrators receive the necessary training to successfully discharge their duties. This measure is important because the PRB is required to track and report the level of compliance with the minimum training requirements by trustees and system administrators to the Legislature.

Source/Collection of Data: The agency's educational training program database is the source for this data.

Methodology: The measure is calculated by dividing the number of individual trustees and system administrators meeting the minimum training requirements, as established by PRB rules, by the total number of trustees and system administrators, as reported to PRB.

Data Limitations: The agency depends on the public retirement systems to timely report compliance with the minimum training requirements by their trustees and system administrators. The number of trustees may vary per plan, but the statute defines the system administrator as one person who oversees the plan, typically the Executive Director.

Calculation Type: Noncumulative.

New Measure: Yes.

Desired Performance: Higher than target.

EFFICIENCY MEASURES

Percent of reports filed within time frames after non-compliance notice

Definition: This is the percentage of pension systems that submit reports required under Chapter 802 within the established time period, as determined by PRB rules and/or policies, after notification of the system's non-compliant status.

Purpose/Importance: The purpose of this measure is to determine the effectiveness of the non-compliant notification process and in turn the PRB's efficient utilization of the said process to bring the public retirement systems in compliance with their statutory reporting requirements. This measure is



important because the PRB requires the reports submitted by the public retirement systems to fulfill its statutory obligations.

Source/Collection of Data: The agency's actuarial and financial database is the source of the data.

Method of Calculation: This is the total number of systems that submitted reports required under Chapter 802 within the prescribed time period, as determined by PRB rules and/or policies, after notification of the system's non-compliant status divided by the total number of systems that received a notification of the system's non-compliant status.

Data Limitations: N/A.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Higher than target.

EXPLANATORY/INPUT MEASURES

Number of systems registered with the State Pension Review Board

Definition: This is the total number of active public retirement systems that are registered with the PRB.

Purpose/Importance: The purpose of this measure is to provide perspective on the number of constituents served by the PRB.

Source/Collection of Data: The agency's actuarial and financial database is the source of the data.

Method of Calculation: The total number of systems registered with the PRB.

Data Limitations: N/A.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Higher than target.

Estimated value of investments owned by Texas Retirement Systems (Billions)

Definition: The total estimated value of net assets of all actuarially funded defined benefit Texas public pension funds registered with the PRB.

Purpose/Importance: The purpose of this measure is to provide the total estimated value of net assets of all actuarially funded defined benefit Texas public retirement systems registered with the PRB.

Source/Collection of Data: The annual financial reports submitted by the plans registered with the PRB in accordance with the statutory requirements are the



source of these data. The information is entered into the agency's actuarial and financial database.

Method of Calculation: This is the sum of total net assets of the actuarially funded defined Texas pension funds registered with the PRB.

Data Limitations: The data limitation is twofold. First, the financial data required to calculate the net assets is at least 7 months old (could be more) at any given time because as per the statute the pension funds have 7 months after the close of their fiscal year to report the data. Second, some plans do not comply with the statutory requirement of submitting their financial report within 7 months after the close of the plan's fiscal year. Hence, the most current data available on file for the pension fund is used for reporting purposes.

Calculation Type: Noncumulative.

New Measure: No.

Desired Performance: Higher than target.

OUTPUT MEASURES

Number of Compliance Actions Initiated

Definition: All actuarially funded defined benefit Texas public pension plans are required by state law to submit certain annual reports to the PRB within 211 days of the end of their fiscal years. Using the agency's actuarial and financial database as the source of data, this is the number of written enforcement notifications to systems of their failure to report in accordance with state law.

Purpose/Importance: The purpose of this measure is to determine agency's efforts in keeping the public retirement systems in compliance with the state law. This measure is important because the PRB is charged under the state law to oversee the Texas public retirement systems by conducting reviews and compiling and comparing information based on the reports submitted by public retirement systems.

Source/Collection of Data: The agency's actuarial and financial database is the source of data.

Method of Calculation: The total number of written enforcement notifications to systems.

Data Limitations: N/A.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher than target.



Number of Reviews Completed

Definition: A review of a public retirement system includes the review of the plan design, financial reports, investment returns and assumptions report, investment policy, actuarial valuations, actuarial experience study, or actuarial audit.

Purpose/Importance: The purpose of this measure is to conduct a continuing review of public retirement systems and compile and compare information about benefits, creditable services, financing, and administration of system. This measure is important because it is a statutory duty of the PRB.

Source/Collection of Data: The agency's actuarial and financial database is the source of data.

Method of Calculation: The total number of reviews.

Data Limitations: N/A.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher than target.

Number of Impact Statements Issued

Definition: Each bill or resolution that proposes to change the amount or number of benefits or participation in benefits of a public retirement system or that proposes to change a fund liability of a public retirement system is required to have attached to it an actuarial impact statement as provided by this section. An actuarial impact statement contains a summary of the legislation, actuarial analysis, and actuarial review.

Purpose/Importance: The purpose of this section is to determine if the PRB is fulfilling its statutory obligation of providing the impact statements. This measure is important because the PRB is charged under the state law to prepare and provide the actuarial impact statements.

Source/Collection of Data: The PRB Legislative Calendar is the source of this number.

Method of Calculation: The total number of actuarial impact statements issued on legislation. The PRB may issue several actuarial impact statements on a single bill as a result of amendments and companion legislation.

Data Limitations: N/A.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher than target.



Number of Persons Participating in PRB Training Sessions

Definition: The number of people who register for and complete, either online or in-person, PRB training sessions. A PRB training session may include an individual online course or an in-person seminar.

Purpose/Importance: The purpose of this measure is to determine the number of constituents, including the administrators, trustees, and members of Texas public retirement systems served by the PRB with regard to expanding their knowledge base and education. This measure is important because the PRB is charged under the state law to provide educational services to its constituents.

Source/Collection of Data: Lists of persons registering and completing, either online or in-person, PRB training sessions.

Method of Calculation: The total number of people who register for and complete, either online or in-person, PRB training sessions.

Data Limitations: N/A.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: Higher than target.

Number of Technical Assistance Reports Provided by Staff

Definition: The number of technical assistance reports produced by the staff of the PRB. This includes written responses to requests for technical assistance, but not limited to requests for information on pension issues, investments, laws and reporting requirement.

Purpose/Importance: This measure is important because it determines the effectiveness of the agency in serving its constituents.

Source/Collection of Data: Technical assistance summary sheets are the source. The information is entered into the technical assistance database and tallied in a spreadsheet.

Method of Calculation: The total number of technical assistance reports produced by the PRB. One report distributed to multiple recipients is counted as one.

Data Limitations: The data is limited to requests that can be documented on paper. This excludes requests for information taken and answered over the phone.

Calculation Type: Cumulative.

New Measure: No.



Desired Performance: Higher than target.

Number of Responses to Requests for Technical Assistance

Definition: The number of requests for technical assistance responded to by the agency.

Purpose/Importance: The purpose of this measure is to determine the amount of requests for technical assistance received by the agency. This measure is important because the agency is required under state law to provide technical assistance upon request.

Source/Collection of Data: Technical assistance summary sheets are the source of this data. The information is entered into the technical assistance database and tallied in a spreadsheet.

Method of Calculation: The total number of technical assistance reports produced by the PRB staff.

Data Limitations: The data is limited to requests that can be documented on paper. This would exclude requests for information taken and answered over the phone.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Higher than target.



Strategic Staffing Analysis

A. Overview

In order to comply with regulations required by Section 2056.002 of the Government Code, the PRB has conducted a staffing analysis, which includes the following:

- a systematic process for workforce planning, which is integrated, methodical and ongoing;
- identification of the human capital necessary to meet agency goals; and
- development of a strategy to meet agency staffing requirements.

Update Agency Workforce Snapshot: The PRB currently has 13 staff including the executive director. Each of the FTEs reports to the executive director. The agency is authorized for 15.0 full-time equivalents (FTEs) with funding available for 14.0 FTEs and one vacant position. Two FTEs were added to the agency through budget riders for House Bill 13 and Senate Bill 200 passed by the 83rd Texas Legislature.

Agency Mission: The agency shall provide the State of Texas with the necessary information and recommendations to help ensure that our public retirement systems, whose combined assets total in the multi-billions, are financially sound; and benefits are equitable and properly managed. The agency seeks to minimize tax expenditures for employee benefits yet still provide for those employees, and to expand the knowledge and education of administrators, trustees, and members of Texas public pension funds.

Agency Scope and Key Functions: The PRB was established by H.B.1506, 66th Legislature, R.S. (V.T.C.A., Title 8, Chapter 801, Government Code,) effective September 1, 1979, as an oversight agency for Texas public pension systems. The general duties of the PRB outlined in Chapter 801 of the Government Code are to (1) conduct a continuing review of public retirement systems, compiling and comparing information about benefits, creditable service, financing and administration of systems; (2) conduct intensive studies of potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits in one or more public retirement systems; (3) provide information and technical assistance on pension planning to public retirement systems on request; and (4) recommend policies, practices, and legislation to public retirement systems and appropriate governmental entities. The agency is also charged with preparing and providing an actuarial impact statement for a bill or resolution that proposes to change the amount or number of benefits or participation in benefits of a public retirement system or that proposes to change a fund liability of a public retirement system. Additionally, the Board is charged to develop and administer an educational training program for trustees and system administrators of Texas public retirement systems. The Board is also authorized to develop and conduct training sessions, schools, or other educational activities. The Board can furnish other appropriate services such as actuarial studies or other requirements of systems and can establish appropriate fees for these activities and services.

The PRB service population consists of the current and future members, administrators, and trustees of approximately 337 individual public retirement systems, as well as state and local government officials, and taxpayers.



B. Current Workforce Profile (Supply Analysis)

Critical Workforce Skills: There are several skills that are critical to the agency's ability to successfully meet objectives. The PRB could not fulfill its mission without knowledgeable people with the following skills:

- Accounting/Budgeting
- Actuary
- Administrative
- Auditing
- Computer Research Skills
- Database Administration
- Data Analysis
- Event Planning
- Education and Training Delivery
- Financial Analysis
- Policy Analysis
- Investment Analysis
- Forecasting
- Human Resources
- Mathematical Modeling
- Office Management
- Political/Legislative Experience
- Risk Analysis
- Writing, Editing, and Research



Workforce Demographics:

Position	Skill Orientation	Sex	Race	Retirement Eligibility
Executive Director	Office Management, Political/Legislative Experience , Financial Analysis, Data Analysis, Risk Analysis, Writing, Editing, and Research	M	White	No
Executive Assistant	Event Planning, Board Secretary Administrative, Writing, and Editing	F	White	No
Actuary	Actuary, Financial Analysis, Mathematical Modeling, Forecasting, Risk Analysis, Writing, Editing, and Research	M	White	No
Policy Analyst	Political/Legislative Experience, Data Analysis, Financial Analysis, Writing, Editing, and Research	F	Asian	No
Program Specialist	Data Analysis, Computer Research Skills, Evaluate and Report on Plan Compliance	F	Hispanic	No
Program Specialist	Primary Point of Contact for TLFFRA Plans, Data Analysis, Computer Research Skills, Evaluate and Report on Plan Compliance	M	White	No
Program Specialist	Implement Continuing Educational Training Program, Develop Online Training, Research Skills, Track Compliance	F	White	No
Administrative Assistant	Administrative, Research	F	White	Yes
Research Specialist	Computer Research Skills, Data Analysis, Policy Analysis	F	White	No
Research Specialist	Computer Research Skills, Data Analysis, Financial Analysis	M	White	No
Research Specialist	Computer Research Skills, Data Analysis, Financial Analysis	M	White	No
Research Specialist	Computer Research Skills, Data Analysis, Financial Analysis	M	White	No
Accountant	Accounting/Budgeting, Human Resources	M	White	No
Investment Analyst (Vacant)	Investment Analysis, Data Analysis, Computer Research Skills, Political/Legislative Experience, Writing and Editing			
		46% - F 54% - M	84% - W 8% - H 8% - A	8 % - Eligible 92 % - Not Eligible

Employee Turnover: Turnover continues to be an important issue with the PRB. A major strength of the PRB is its staff. When a position becomes vacant within the agency, the turnover rate will appear much higher than the statewide average because of the agency's size



with only 14 budgeted FTEs. Recent years have seen the departure of senior staff whose expertise is not easily replaced.

C. Future Workforce Profile (Demand Analysis)

Expected Workforce Changes: As a small state agency, recruitment and retention of staff is frequently a challenge, especially due to uncompetitive salary levels. Due to budget constraints, it is difficult for the agency to retain staff with pension-related expertise and problem solving skills. As the economy improves, it is likely that the agency may lose more talented staff to higher paying jobs in the future. The agency cross-trains staff to help minimize the impact of losing key personnel.

D. Gap Analysis

A slight gap exists in the PRB's workforce due to an investment analyst position that is currently vacant. Also, substantial gaps might emerge rapidly in the future, with the departure of even one key employee. Due to the highly specialized nature of pension and actuarial expertise, the labor market may not be as well suited to providing perfectly qualified replacements for the most senior positions in the agency. Successfully replacing key positions with new employees with specialized pension/actuarial expertise could be difficult. While pension/actuarial skills are scarce, they can be effectively developed within candidates with strong backgrounds in general financial analysis.

E. Strategic Workforce Plan

Skill Development: While the agency can continue to recruit future personnel with pension or actuarial expertise, an effective alternative would be the development of individuals with requisite financial and analytical skills. Development will help the agency overcome the scarcity of those specialized actuarial and pension skills in the labor market. Another focus for skill development is the encouragement of staff to use training opportunities to further already existing skill sets or to develop new skill sets.

Development Time: Due to the complexities of actuarial science found in pension review, development may require longer periods of training, perhaps exposure to several months of on-the-job experience. Understanding how to navigate the political and legislative environment is experience-driven, and will often take months and years to gain experience in those areas.

Preparing for Transition: The agency has created and implemented documentation of strategic job descriptions for all agency positions, including the executive director and actuary positions. Specialized knowledge, including financial and actuarial has been captured and translated into a procedural manual. This will leave an informational reference and knowledge base for future administrators in the agency. The agency has also instituted an employment section on the website to provide a means to cultivate qualified individuals for future employment requirements.

Salary Structure: The executive director was granted a salary increase by the 83rd Legislature. In the past, the agency has experienced salary compression among personnel serving the agency's core services, as there was very little difference between the salaries of the agency's executive director and the financial analysts. Additional financial resources for salaries will be needed to



successfully attract and retain qualified personnel for these positions, especially as new openings arise.

Retaining Valuable Personnel: Given the budgetary limitations on the agency, two key policies are in place to retain valuable personnel. First, the flexibility of assignment allows staff members to pursue areas of interest to them while working within the needs of the agency. With staff able to match agency goals with their own professional goals, the ability to retain valuable personnel will be strong. The second policy is the flexibility of schedules which allows staff to maintain a firm work-life balance essential for retaining valuable personnel.



Survey of Employee Engagement

The PRB participated in the Survey of Employee Engagement in the 2014 fiscal year. Out of 13 employees who were invited to take the survey, 11 responded resulting in an 85% response rate for the agency. The survey found that the agency's areas of substantial strength include constructs such as Strategic, External Communication, and Diversity. The Strategic construct reflects PRB employees' thinking about how the agency responds to external influences that should play a role in defining the organization's mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities. High scores indicate employees view the agency as able to quickly relate its mission and goals to environmental changes and demands. It is viewed as creating programs that advance the organization and having highly capable means of drawing information and meaning from the environment. The External Communication construct looks at how information flows into the agency from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of PRB employees to synthesize and apply external information to work performed by the agency. High scores indicate that employees view their agency as communicating effectively with other agencies, its clients, and those concerned with regulation. The Diversity construct addresses the extent to which employees feel personal differences, such as ethnicity, social class or lifestyle. It examines how the agency understands and uses creativity coming from individual differences to improve PRB effectiveness. High scores indicate that employees view the diversity within the work setting, work teams, and supervisory process positively.

The survey found that the agency's areas of concern include constructs such as Pay and Information Systems. Survey suggests that pay is a central concern or reason for discontent. In some situations pay does not meet comparable salaries in similar organizations. In other cases individuals may feel that pay levels are not appropriately set to work demands, experience and ability. Cost of living increases may cause sharp drops in purchasing power, and as a result, employees will view pay levels as unfair. These areas of concern are being addressed as employees have been encouraged to speak freely about their concerns and to make suggestions to improve the agency operations at any time. During an individual's performance review, employees are also given an opportunity to discuss the overall work situation and evaluate ways to improve their personal development within the agency budget constraints. All employees are afforded the opportunity to participate regularly in training classes offered by the Comptroller's office and New Horizons, which provides technology, applications, and business skills training for agency staff.

The Information Systems construct provides insight into whether computer and communication systems enhance employees' ability to get the job done by providing accessible, accurate, and clear information. The construct addresses the extent to which employees' feel that they know where to get needed information, and that they know how to use it once they obtain it.



Average scores suggest that room for improvement exists and there is frustration with securing needed information. To remedy information systems problems, the agency is conducting technical staff meetings on what software or equipment is needed to enhance PRB's information technology infrastructure.